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BEFORE THE ARIZONA CORPORATION COMMISSION

LEA MÁRQUEZ PETERSON

Chairwoman

Arizona Corporation Commission

SANDRA D. KENNEDY

Commissioner

DOCKETED

JUSTIN OLSON

Commissioner

JUL 27 2022

ANNA TOVAR

Commissioner

DOCKETED BY

JIM O'CONNOR

Commissioner

IN THE MATTER OF THE APPLICATION
OF ARIZONA PUBLIC SERVICE
COMPANY FOR A HEARING TO
DETERMINE THE FAIR VALUE OF THE
UTILITY PROPERTY OF THE COMPANY
FOR RATEMAKING PURPOSES, TO FIX A
JUST AND REASONABLE RATE OF
RETURN THEREON, TO APPROVE RATE
SCHEDULES DESIGNED TO DEVELOP
SUCH RETURN.

DOCKET NO. E-01345A-19-0236

DECISION NO. 78640

ORDER

**APPLICATION FOR APPROVAL OF
NEW RESIDENTIAL ELECTRIC VEH-
ICLE CHARGING RATE SCHEDULE**

Open Meeting
June 28 and 29, 2022
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

Background

1. On January 7, 2022, Arizona Public Service Company ("APS" or "Company") filed with the Arizona Corporation Commission ("Commission") an application requesting approval of a new Residential Electric Vehicle ("EV") Charging Rate Schedule ("R-EV"), to comply with Decision No. 78317 (November 9, 2021) ("Decision") in Commission Docket No. E-01345A-19-0236.

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1 2. In the Decision, the Commission required APS to file a new residential EV charging
2 rate tariff establishing a super off-peak energy charge for the period from 11:00 p.m. to 5:00 a.m.
3 every day of the year, which shall be set at the same level as APS's TOU-E super off-peak energy
4 charge.¹ (Staff notes that the proposed R-EV has the super off-peak period in both summer and
5 winter, while TOU-E only has the super off-peak period in winter.) The Decision also requires APS
6 to make up the revenue difference resulting from the changes to the on-peak TOU period through
7 on-peak energy charges.

8 **Company Application**

9 3. APS's application describes and seeks approval for a new residential EV charging
10 rate tariff that establishes a super off-peak energy charge for the period from 11:00 p.m. to 5:00 a.m.
11 every day of the year. R-EV also establishes rates for on-peak and off-peak energy usage. The
12 proposed tariff describes the availability, applicability, character of service, rates, time periods,
13 adjustments, and applicable rate riders to R-EV. The proposed tariff will be available to residential
14 customers throughout APS's service territory who reside at individual private dwellings and in
15 individually metered apartments with access to an advanced metering infrastructure network and the
16 installation of required metering equipment.

17 4. R-EV is only available to customers who own a qualified EV which APS defines as
18 being registered with the State of Arizona to operate on all streets and highways. Service under R-
19 EV is subject to an annual self-certification for proof of EV ownership. Neighborhood EVs (e.g.,
20 Golf Carts), as described in Arizona Revised Statute ("A.R.S.") Section 28-101(53), do not qualify
21 for R-EV.

22 5. Under R-EV, customers who self-provide some of their electrical requirements from
23 on-site generation will be billed according to one of APS's Partial Requirements Service rate riders.
24 Electric service provided will be single-phase, 60 Hertz at the Company's standard voltages
25 available at the customer's site. The filing provides that three-phase service is required for motors
26

27 ¹ See Commission Decision No. 78317 (November 9, 2021) at page 444, lines 26-28 and page 445 line 107 [*also see*
28 Commission Decision No. 78435 (January 31, 2022) at page 10, lines 11-26; *also see* APS Rate Schedule TOU-E
Residential Time-of-Use Service, Time-of-Use 4PM – 7PM Weekdays, Revision No. 2, effective December 1, 2021
("TOU-E").]

of an individual rated capacity of 7 1/2 horsepower or more. Under R-EV, electric service is supplied at a single point of delivery and measured through a single meter. R-EV is not applicable to breakdown, standby, supplemental or resale service. Direct access customers are not eligible for this rate schedule. Resale of energy is not allowed under R-EV.

6. R-EV's rate consists of two elements, a basic service charge and per kilowatt-hour ("kWh") charge for the total energy used for the billing cycle. The energy charge will vary by season (summer or winter) and the time of day that the energy is used (on-peak, off-peak, or super off-peak).

Proposed Tariff Charges

7. R-EV's basic service charge and on-peak, off-peak and super off-peak energy charges by season are as follows, with the rates that specifically comply with the Decision regarding using TOU-E rates in bold:

Basic Service Charge		\$0.400	Per Day
	Summer	Winter	
On-Peak Energy Charge	\$0.40685	\$0.38477	Per kWh
Off-Peak Energy Charge	\$0.10789	\$0.10790	Per kWh
Super Off-Peak Energy Charge	\$0.03166	\$0.03166	Per kWh

Adjustments

8. Monthly billing for R-EV will include the following adjustments:

1. The Renewable Energy Adjustment Charge, Adjustment Schedule REAC-1.
2. The Power Supply Adjustment charge, Adjustment Schedule PSA-1.
3. The Transmission Cost Adjustment charge, Adjustment Schedule TCA-1.
4. The Environmental Improvement Surcharge, Adjustment Schedule EIS.
5. The Demand Side Management Adjustment Charge, Adjustment Schedule DSMAC-1.
6. The Lost Fixed Cost Recovery adjustment charge, Adjustment Schedule LFCR.
7. The Tax Expense Adjustor mechanism charge, Adjustment Schedule TEAM.

8. Any applicable taxes and governmental fees that are assessed on APS's revenues, prices, sales volume, or generation volume.

Rate Riders

9. Eligible rate riders for R-EV:

RCP	Resource Comparison Proxy
EPR-2	Partial Requirements
EPR-6	Partial Requirements – Net Metering (Residential Non-Solar)
E-3	Limited income discount
E-4	Limited income medical discount
GPS-1, GPS-2, GPS-3	Green Power

Time periods

10. The on-peak time-period for R-EV will be 4:00 p.m. to 7:00 p.m., Monday through Friday. The super off-peak time-period will be 11:00 p.m. to 5:00 a.m., every day, including holidays. All other hours are off-peak hours.² The following holidays are also included in the off-peak hours:

- New Year's Day – January 1*
- Martin Luther King Day – Third Monday in January
- Presidents Day – Third Monday in February
- Cesar Chavez Day – March 31*
- Memorial Day – Last Monday in May
- Independence Day – July 4*
- Labor Day – First Monday in May
- Veterans Day – November 11*
- Thanksgiving – Fourth Thursday in November
- Christmas Eve – December 24**
- Christmas Day – December 25*
- New Year's Eve – December 31**

11. The on-peak and off-peak rates also vary by summer and winter seasons. The summer season is May through October billing cycles, and the winter season is the November through April billing cycles.

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² *If these holidays fall on a Saturday, the preceding Friday will be off-peak. If they fall on a Sunday, the following Monday will be off-peak. **The day on which these holidays fall will be off-peak days.

Staff Analysis and Recommendations

12. The proposed R-EV incentivizes customers to charge their EVs during off-peak and super off-peak hours by providing a discount to the energy rates paid by the customer relative to on-peak rates. The aggregate load associated with charging EVs increases APS's total demand, which may affect the Company's ability to meet its customers' energy needs during times of peak demand. Specifically, as customers shift from internal combustion engine vehicles to battery EVs and plug-in hybrid EVs, APS will need to plan to meet the increased electrification needs associated with those customers charging EVs. By mitigating this increased load and demand on the Company's distribution system through promoting a shift in load to off-peak and super off-peak hours, APS will be more capable of effectively balancing its daily loads and resources without increasing rates paid by both EV and non-EV customers.

13. Staff believes R-EV is consistent with the Decision because R-EV's proposed rates and terms reflect required aspects of APS's TOU-E tariff, and that R-EV rates are likely to encourage EV charging during off-peak and super off-peak times which will help APS balance demand impacts to system efficiencies.

14. Staff notes that R-EV reflects higher rates for on-peak demand usage, relative to off-peak and super off-peak usage, which is consistent with the Decision's requirement that any revenue differences APS experiences to its on-peak TOU period only be made up through on-peak energy charges. Accordingly, based on analysis and consideration of the foregoing, Staff recommends approval of APS's R-EV.

15. Staff also recommends that APS file, as a compliance item with Docket Control, a Rate Schedule R-EV consistent with the Decision in this case within 30 days of the effective date of the Decision.

CONCLUSIONS OF LAW

1. Arizona Public Service Company is an Arizona public service corporation within the meaning of Article XV, Section 2 of the Arizona Constitution.

2. The Commission has jurisdiction over Arizona Public Service Company and the subject matter of the Application.

3. The Commission having reviewed Arizona Public Service Company's application and Staff's Memorandum concludes that it is in the public interest to approve Arizona Public Service Company's proposed Residential Electric Vehicle Charging Rate Schedule, as discussed herein.

ORDER

IT IS THEREFORE ORDERED that Arizona Public Service Company's proposed Residential Electric Vehicle Charging Rate Schedule, as discussed herein, is approved.

IT IS FURTHER ORDERED that Arizona Public Service Company shall file, as a compliance item with Docket Control, a Residential Electric Vehicle Charging Rate Schedule consistent with the Decision in this case within 30 days of the effective date of the Decision.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION


CHAIRWOMAN MARQUEZ PETERSON


COMMISSIONER KENNEDY

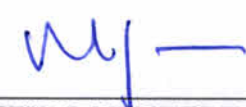

COMMISSIONER OLSON


COMMISSIONER TOVAR


COMMISSIONER O'CONNOR



IN WITNESS WHEREOF, I, MATTHEW J. NEUBERT, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 27 day of July, 2022.


MATTHEW J. NEUBERT
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

EOA:CCN:elr/MAS

Arizona Public Service Company
Docket No. E-01345A-19-0236

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